



Watson Cable Company

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AUG 19 1996

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Federal Communication Commission
Washington, D. C. 20554

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Title Section 257-

GN-DOCH 96-113

RE: In the matter of: Notice of inquiry of its intent to identify and eliminate entry barriers for small telecommunications businesses.

Dear Sirs:

I would like to comment on several issues that may be affected by your rulemaking.

1. My small Cable TV system in Georgia competes with a much larger system on a military base and parts of the surrounding community. In one area where we both have franchises and each system serves subscribers, a new apartment complex was recently completed and the larger cable company obtained an exclusive agreement to serve this complex and my company was denied access to these subscribers by the property developer. I believe that where you have competing systems this exclusive barrier should be removed. We have had several request for Cable service by tenants of this complex and when we explained why we cannot serve them, they complained to management, but to no avail.
2. Another barrier to my company's ability to compete in this market is pole space. The larger company has two and in some places three lines that tie up much valuable space that does not allow room for any additional lines to be placed upon the existing poles. The poles are owned by an Electric Membership Corporation that refuses to become involved and claims the larger company pays for more than one attachment per pole. The extra lines are dead and not in use and are the results of overbuild, upgrade and rebuild. All the active components have been cut out and taken down. When I complained to the other company about this, they stated it's reasons for leaving the extra lines up are for redundancy. But I firmly believe the only reason for leaving the dead lines on the poles are to keep out competition.
3. The third area that I wish to comment on is the larger system obtaining an exclusive agreement with new programmers that come on line. The latest one is the FX Channel, which claims to have an exclusive agreement with the other company and refuses to sell it's programming to our company.

Mr. of Ogletree's
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I do not believe exclusive agreements should be allowed in a competitive market. This programming should be available to me and all operators who wish to carry it on their system.

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4. One other barrier to small cable companys entering new markets is franchising. The requirements for a competing franchise are unbelievable. These are written with the help of consultants to the franchising authority and are 99.9 % in favor of the cities or counties and require massive give aways by the Cable operator as well as posting of huge bonds and other prohibited requirements. This appears to be a highly prohibited barrier if not unlawful to the entry of new operators. I believe a model Franchise drafted by the Staff at the FCC that is fair and equitable to all parties should be adopted.

I am sure that there are many-many other barriers to small entrepreneurs that wish to start a new Telecommunications business or to expand an existing one that I have not listed here. One other that comes to mind is financing. It is near impossible to obtain proper financing to expand or to start up a new competitive Cable TV system with any local or regional banks that I am aware of. When they hear the word overbuild, you may as well hit the door, because the interview is over. Maybe the Small Business Administration should become more involved with Cable TV, especially in a competitive situation.

This letter just touched on some of the obstacles and barriers that I have found in my small Cable TV business that are prohibited to expansion and growth and to enter new business opportunities.

I trust that the above examples will have some impact on your rulemaking.

Sincerely,



Robert G. Watson
President
RGW Communications, Inc.
dba/Watson Cable Co.